

Income Protection



What is Income Protection?

Income Protection pays you a replacement income if you are unable to work due to any illness, accident or injury. You will continue to receive an income until you are well enough to return to work, or if not, until your retirement age.

Who is Income Protection for?

Anyone in full or part-time employment, who relies on their income to meet their outgoings and fund their lifestyle.

Why do I need Income Protection?

Your income is arguably your most important asset. You rely on it to fund everything from what's in your fridge to where you go on holiday.

If illness strikes and you are unable to work, income protection can:

- Provide income for everyday living.
- Ensure you continue to meet your monthly mortgage repayments and household bills.
- Help you maintain your current standard of living.

Ask yourself:

- What would happen if my income suddenly stopped because of ill health?
- How long would my family or I cope financially?
- How long would my employer pay me if I was on prolonged sick leave?

Self-employed workers are not entitled to the State Illness Benefit. PAYE workers receive a State Illness Benefit of just €188* per week.

*Department of Social Protection Illness Benefit as at December 2014. (www.welfare.ie)

Income Protection Case Study

James currently earns €48,000 a year and has been with his current company for three years. He relies on his income to meet all his expenses. Without it his life would be very different. He wants to make sure his lifestyle won't suffer if he gets ill in the future.

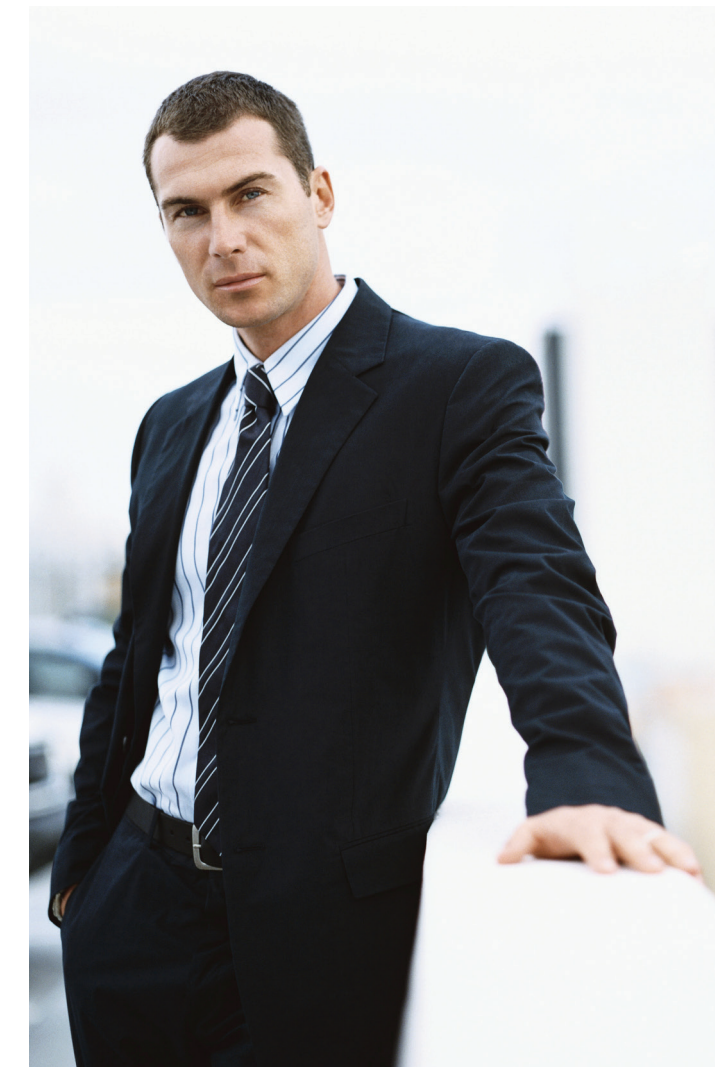
James knows his current employer will provide him with full pay if he is out sick for up to six months. However, after six months his entitlements would stop. The State Illness Benefit would become payable but this would not be enough to meet his current living expenses, not to mention any additional medical expenses. The likelihood is that if he was out sick for longer than six months he would have to move home and rely on the support of his parents.

The Solution

James takes out cover that will pay him a replacement monthly income after six months (when his salary will stop) if he can't work due to illness. He knows that these payments combined with the State Illness Benefit will mean he can maintain his current lifestyle and won't have to rely on others if he gets ill in the future. He also knows that he will receive tax relief on premiums paid.*

+ It is important to note that tax relief is not automatically granted; you must apply to and satisfy the Revenue requirements. Revenue limits, terms and conditions apply.

The case study set out in this document is for illustration purposes only. Terms and conditions apply. Benefits are subject to underwriting and acceptance by the life assurance company. Premiums are subject to a Government levy (currently 1%). This document is of a general nature and should not be relied on in relation to a specific issue without taking financial, insurance or other professional advice. If there is any conflict between this document and the relevant policy conditions, the policy conditions will apply.



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